



Restructured FutureGen – Overview of Budget Preparation & Cost/Price Issues

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Budget Preparation

- **Funding Opportunity Announcement (FOA)**
 - DE-PS26-08NT00496
 - June 24, 2008

- **Part IV – Application & Submission Information**
 - Pages 29 – 33 of FOA
 - SF 424A – Budget Information
 - Budget Justification File / Cost Detail Requirements
 - Budget Justification Guideline (Excel Spreadsheet)
 - Narrative Explanation of Budget
 - Project Worksheets, Appendix G
 - Team Members & Subs must also Submit

Allowable Project Costs

- **Federal Cost Principles**

- Vary by Organizational Type

- For-Profit FAR Part 31
- Non-Profit OMB Circular A-122
- Educational OMB Circular A-21
- State/Local Govt. OMB Circular A-87

- Direct and Indirect Costs

- **FOA Allowable Costs**

- Part III, Eligibility Information

- Part IV, Application & Submission Information

Unallowable Project Costs

- **Specifically Identified in the Cost Principles**
- **FOA Guidelines:**
 - Parasitic Power, Lost Revenue, or Lost Opportunity
 - Fuel Costs Other than Coal
 - Fee or Profit to Recipient or Team Member
 - Foregone Fee or Profit for Cost Sharing Purposes
- **Prior Experience / History:**
 - Previously Expended R&D Costs
 - Negotiation of Cooperative Agreement
 - Use Charge for Currently Depreciating Assets

Cost Sharing

- **FOA Requirements**

- Part III, Eligibility Information
- DOE Maximum Contribution, Lower of:
 - Incremental Cost of Implementing CCS
 - 50% of Total Allowable Project Cost
- Incremental Cost Concept (Examples in FOA)
 - Maximum DOE Cost Share
 - Developed using Appendix G Worksheet
- Cost Share Percentage
 - Based on Total Project Cost
 - Applied on a Dollar for Dollar, as Expended Basis

Cost Sharing (cont.)

- **Shall meet all of the following criteria:**
 - Allowable Costs
 - Verifiable from books and records
 - Not included as contributions for any other federally-assisted project
 - Necessary and reasonable for proper and efficient accomplishment of project objectives
 - Not paid by the Federal Govt. under another award

Cost Sharing (cont.)

- **Forms of Cost Sharing**
 - Cash
 - In-Kind Contributions

- **Sources of Cost Share**
 - Recipient
 - Team Member or Subcontractor
 - Third Party

Cost Sharing (cont.)

- **Past Problems with In-Kind Contributions:**
 - Over Valuation of Asset - Not verifiable from Accounting records
 - Asset not Necessary and Reasonable for Efficient Accomplishment of Project
 - Currently Depreciating Asset Already Included in Indirect Rates
 - Asset was Utilized for Cost Sharing Purposes on Previous Federal Award

Review of Budget

- **Ensure Adequate Cost Details are Submitted**
 - If Selected, Additional Details will be Required
- **Adequacy of Accounting Systems**
 - Recipient, Team Members, Major Subcontractors
 - Job Order Cost Accounting System in place
- **Allowability & Allocability of Indirect Rates**
 - Expense Pools & Allocation Bases
 - Provisional/Final Rate Agreements
- **Identify Unallowable & Unallocable Costs**